

**Form 51-102F3**  
**Material Change Report**

**Item 1 Name and Address of Company**

Klimat X Developments Inc. (formerly Earl Resources Limited) ("**Klimat X**" or the "**Corporation**")  
Suite 390 – 1050 Homer Street  
Vancouver, British Columbia  
V6B 2W9

**Item 2 Date of Material Change**

December 20, 2022

**Item 3 News Release**

The Company disseminated a news release on December 21, 2022 via Cision and subsequently filed a copy on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4 Summary of Material Change**

Klimat X granted an aggregate of 250,000 incentive stock options ("**Options**") to purchase common shares of the Corporation ("**Common Shares**") to Matt Roma pursuant to the Corporation's equity incentive plan. The Options are exercisable at a price of \$0.20 per Common Share and have an expiry date of five years from the date of the grant, being December 20, 2022.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

Please see the attached news release.

**5.2 Disclosure for Restructuring Transactions**

Not applicable

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable

**Item 7 Omitted Information**

Not applicable

**Item 8 Executive Officer**

The following senior officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

James Tansey  
Chief Executive Officer  
[james.tansey@klimatx.com](mailto:james.tansey@klimatx.com)

**Item 9 Date of Report**

December 22, 2022

# KLIMAT X DEVELOPMENTS INC. PROVIDES END OF YEAR COMPANY UPDATE AND PARTICIPATES IN EXPERT PANEL AT TRAYPORT'S CARBON CREDIT WEBINAR

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VANCOUVER, BRITISH COLUMBIA – December 20 2022 – Klimat X Developments Inc. (“**Klimat X**” or the “**Corporation**”) (TSXV: KLX) a company in the business of developing validated and verified carbon credits from its own nature based solutions for sale into international voluntary carbon markets, is very pleased to provide a company update and to provide access to the recording of a webinar hosted by Trayport (a TMX company) entitled, The Future of the Carbon Credit Economy. “Klimat X enjoyed an extremely positive trajectory from our listing in July, 2022 and we are excited about our prospects as we look ahead to 2023 states CEO, Dr. James Tansey. He continues, ‘without the continued support from our stakeholders, the consistent hard work from our team, and the cooperative nature of our partnerships, none of this would have been possible.’”

Klimat X currently has carbon credit projects underway in Sierra Leone, Guyana and the State of Yucatan in Mexico, and is actively developing projects in other key jurisdictions. These projects could produce up to 28 million tonnes of credits over their lifespan. The company is actively engaging with large final buyers of carbon credits, including trading houses and large final buyers, to secure co-investments and pre-purchase agreements with the goal of fully de-risking project development. Details of the underlying projects are fully disclosed in the company's filing statement including:

- Entered into a carbon credit streaming agreement dated 15th August, 2022 to acquire carbon credit development rights for approximately 42,000 hectares of land located in Sierra Leone from Forest and Mangrove Protection Ltd. These projects include both mangrove restoration projects and a reforestation project.
- Klimat X receives feasibility study from EcoSecurities confirming scope of Sierra Leone project with near term goal of securing land and carbon rights for a total an initial 25,000 hectares.
- Accelerated activity in the State of Yucatan, Mexico project which includes restoration of up to 40,000 hectares of degraded mangrove with local partners Compañía Mexicana de Captación de Carbono (CMCC). Klimat X was also pleased to announce that it was the corporate sponsor of the 2nd Mangrove Congress of America.
- Silvestrum Climate Associates have completed a feasibility report confirming that there is significant potential in the State of Yucatan for restoration projects, working with local scientists with an established track record in project development.
- In November, Klimat X completed its first phase of planting in 25,000 hectare carbon credit generating reforestation project in Sierra Leone.

The company participated in a recorded webinar organized by Trayport, a TMX company, to provide brokers and investors with an overview of the company’s approach in a rapidly growing market. CEO, James Tansey, was the main speaker on carbon credits markets.

In October, Klimat X welcomed Mr. Akinjide, a Partner and Co-Leader of the Global Energy and Climate Group in the London office of the law firm Fasken to the company’s board of directors.

Dr Tansey commented ‘Despite the headwinds in the global economy in 2022, we have continued to see very strong demand for carbon credits. Companies in the energy sector are recognizing record profits as a result of the dramatic increase in oil and gas prices. This means they are committed to continue down the path of meeting their net zero commitments; indeed, many stakeholder expect them to accelerate these efforts. As one of the only listed upstream owners and operators of carbon credit projects, we are uniquely positioned to generate carbon credits at scale and to sell them directly to the biggest buyers’

## **Grant of Stock Options**

Klimat X has granted an aggregate of 250,000 incentive stock options (“**Options**”) to purchase common shares of the Corporation (“**Common Shares**”) to Matt Roma pursuant to the Corporation’s equity incentive plan. The Options are exercisable at a price of \$0.20 per Common Share and have an expiry date of five years from the date of the grant, being December 20, 2022.

## **About Klimat X**

Klimat X carries on the business of developing validated and verified carbon credits from afforestation and reforestation of degraded land areas and marine ecosystems, including mangroves, for sale into international voluntary carbon markets. In contrast to streaming and royalty companies, Klimat X works upstream as a direct owner and operator of projects, addressing a key supply constraint the current market and the rapidly growing demand for carbon credits in global voluntary and regulated markets. The Corporation intends to achieve this by investing in the exploration, restoration and management of terrestrial and marine systems that can either be protected to enhance the sequestration of greenhouse gases or restored from a degraded status to fully productive ecosystems. Klimat X will draw on the experience of a senior executive team and Board that provide access into key target jurisdictions through relationships in the mining and natural resources sectors, combined with decades of experience in carbon markets. Klimat X plans to deploy capital at risk under various arrangements (including cooperation, assignment and production sharing agreements) with large land owners and governments in various suitable jurisdictions around the world.

## **Additional Information**

### **For further information:**

#### **Klimat X Developments Inc.**

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Suite 390, 1050 Homer Street  
Vancouver, British Columbia V6B 2W9  
Phone: 1-604-562-4546

## **Reader Advisory**

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This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as “may”, “should”, “anticipate”, “will”, “intends” “expects” and similar expressions which are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward looking statements and information concerning Klimat X’s ability attract and retain a new Chief Financial Officer. Klimat X cautions that all forward-looking statements are inherently uncertain, and that actual performance may be affected by a number of material factors, assumptions and expectations, many of which are beyond the control of Klimat X. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Klimat X. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

The forward-looking statements contained in this press release are made as of the date of this press release, and Klimat X does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.

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